



Compliance Issues

Director

Compliance Center
INTERNAL REVENUE SERVICE

Street

City, State, Zip
(000) 000 - 0000



Automated Collection System (ACS)

1. Handles incoming calls on collection issues
 2. Resolves balances due and secure delinquent returns
 3. Issues Notices of Levy for unresolved balance due cases
 4. Files Notices of Federal Tax Lien, as appropriate, to secure government interests
 5. Handles Collection Due Process Appeals
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Collection Due Process (CDP)

- Method used to appeal:
 1. Filing of the Notice of Federal Tax Lien
 2. Issuing of the Notice of Intent to Levy

- Taxpayers notified of their rights to appeal via:
 1. Pub 1660, *Collection Appeal Rights, Taxpayers Request a Hearing*
 2. Form 12153, *Request for a Collection Due Processing Hearing*



Service Center Collection

1. Assist taxpayers in resolving balances due or filing delinquent returns
2. Prepare returns through Automated Substitute for Return program for non-filers
3. Process Questionable W-4s at Fresno Campus



Installment Agreement Request Reminders

Practitioners should:

1. Inquire about and assist in filing returns
2. Ensure all applicable items on Form 9465 and Form 433F have been fully completed
3. Provide proposed monthly payment amount when completing Form 433A
4. Have financial information available when calling IRS



Automated Substitute for Return (ASFR) Program

ASFR establishes the tax liability by:

1. Securing valid income tax return from the taxpayer, or
2. Computing tax, penalties, and interest, based upon Information Reporting Program (IRP)

IRS sends a proposed 30-day letter package; If no response, sends 90-day statutory notice of deficiency.



ASFR Program

Practitioners should:

1. Inform taxpayers that refund from current year return will be held because of any un-filed returns.
2. Inquire about any un-filed returns and assist in filing these returns. To receive any refunds due, the taxpayer must file within three years of the original return due date.



Questionable W-4

Employers must submit to the IRS, via paper, magnetic tape or electronically, any Form W-4 in which an employee claims either:

1. More than 10 withholding allowances, or
2. Exemption from withholding and the employee's wages are over \$200 per week.



Questionable W-4 Reminders

1. All questionable W-4s should be submitted as soon as possible after receipt to prevent processing delays.
2. Exempt status cannot be claimed without proper justification. Various tax publications address the requirements. Even if previously exempt, IRS will require justification.



Automated Underreporter (AUR)

1. Perform reconciliation between the information reported to the IRS by taxpayers and the information reported by payers
2. Identify discrepancies in reporting and educate taxpayers in correct reporting requirements
3. CP2000 – Proposal of Tax Increases
4. Toll-free lines enhancing customer service
5. Process reconsiderations of closed cases



Correspondence Examination

1. Pre-refund audits
2. Post-refund audits
3. Toll-free line to assist customers with EITC questions and/or problems
4. Innocent Spouse Claims - Centralized in Cincinnati Service Center



Taxpayer Participation

- Taxpayers should participate with the request for documentation within the time frames.
- Taxpayers can respond by:
 1. Mail
 2. Fax
 3. Toll-free phones